

Informal Learning in Malaysian Banks: Evidence and Scenarios

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ABSTRACT

As countries modernise and ascend their development trajectories, their focus often shifts from informal to more formalised forms of education/training. Substantial portions of a nation's GDP are budgeted towards the formalisation and universalisation of education whilst informal education slips out of the foreground. However, in the New Economy where the volatile global environment has reorganised production methods and necessitated new/changing skills requirements, a paradigm shift in education, learning and training has occurred. In the New Economy, the boundaries between informal and formal learning have collapsed and become blurred as they co-exist to supplement and complement each other in the learning process. Against this backdrop, this paper illustrates the blurring boundaries between informal and formal learning in Malaysia's key services sector, banking. This study administered a qualitative research method. A purposeful sampling method was used to interview employees in 12 branches located in the two study sites (i.e. Kuala Lumpur and Georgetown) identified for this research. In showcasing the dynamics of 'formalising the informal' ways of learning, this paper contends that the re-emergence of informal learning is critical to fill the gaps and inadequacies of the formal education system.

Keywords: Informal learning, banking, Malaysia, New Economy

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INTRODUCTION

As countries modernise and progress along their development trajectories, their emphasis often shifts from 'informal' to more 'formalised' forms of education and training. To this end, governments have invested and budgeted substantial portions of their GDPs towards the

formalisation and universalisation of education as informal education gradually slips out of the foreground. However, in the New Economy where a volatile global environment has reorganised methods of production, a paradigm shift in education, learning and training has occurred. Learning can no longer be confined to ‘formalised environments’ oftentimes stereotyped through physical and tangible infrastructures (i.e. schools, classrooms etc.) or through ‘formalised channels/media’ imparted by formal educators like teachers/lecturers. Inevitably, global forces such as information technology and liberalisation of economies have reshaped methods of production, necessitated new/ changing skills requirements and in turn, these have challenged the relevance of existing formalised curriculums in the formal education system. The inability of the formal education system to restructure in tandem with global changes has received burgeoning criticism from scholars and political leaders alike (Brown *et al.*, 1997; Brown, 2001). This issue has triggered a dire need for the revisiting and renegotiation of the role and function of ‘informal learning’ in mainstream society (see also Palmer, 2009). Informal learning differs from formal ways of learning where informal learning methods involve learning in a less formalised and unofficial surrounding with an unstructured syllabus. It can happen in the presence or absence of an instructor. In certain occasions, informal learning occurs in an incidental manner by chance or without any particular intention. No longer

a component that can be side-stepped, the role and function of ‘informal learning’ has to be recognised, reinstated and reintegrated into mainstream learning considering that the boundaries between formal and informal learning have collapsed and become vague in today’s New Economy. In the New Economy, neither ‘formal’ nor ‘informal learning’ is more superior to the other as these two components co-exist, supplementing and complementing each other in the modern learning process. In the case of the service and knowledge industries specifically, the importance of both formal and informal learning as a symbiotic process has been widely researched in advanced economies with the banking industry as a case study (Harper & Rouncefield, 2000; Kitay, 2001; Finegold & Wagner, 2002). With Malaysia’s banking industry rapidly integrating into the global economy, it is pivotal to explore the learning processes in Malaysian banks as a way to observe convergence (or divergence) in learning methods and approaches.

Against this backdrop, this paper raises the following research questions: Do Malaysian banks adopt informal learning methods to develop their human talent? How is informal learning promoted amongst bank employees in Malaysian banks? To answer these questions, this paper illustrates how ‘informal learning’ has been developed as a viable option and strategy to fill the learning gaps and training needs of Malaysian bank employees as Malaysia’s banking industry liberalises and integrates into the global economy. It is also pertinent to mention at

the outset that this paper is not theoretical in nature. As qualitative research, the guide to the inquiry is based on key concepts and findings from previous research and case studies as will be reviewed in the coming section on informal learning in banking. As aforementioned in the research questions, this paper aims to explore and understand the existence/prevalence of informal learning in Malaysia banks. This paper is divided into four main sections. The section after the introduction reviews the relevant literature on the emerging importance of informal learning and includes some examples of informal learning found in today's world of banking. This section also briefly outlines the research methodology for this study. Section three discusses the results and the final section concludes this paper and suggests pragmatic policy implications.

LITERATURE REVIEW

Formal versus Informal Learning

In his seminal book *Human Capital*, Gary Becker (Nobel prize winner in Economics) contends that one of the ways to stimulate growth in a nation is to enhance its human capital. According to Becker (1993), this can be achieved by investing substantively in two main components of human capital, namely, education and training. To this end, most nations have strategised to invest and develop their formal education system in the hope of expanding and universalising education to the general masses. However, this focus on formal education is not sustainable. In the New Economy, the

constant demands for new/changing skills requirements have redefined the role and played down the importance of formal learning. As McGuire and Gubbins (2010) argue, "formal learning now plays a greatly diminished role, being supplanted by activity-based and technologically-based learning." A more scathing critique against formal learning was launched by Jay Cross, author of *Informal Learning: Rediscovering the Natural Pathways that Inspire Innovation and Performance*. The following quote succinctly summarises Cross' (2007) views on the waning role of formal learning:

Training professionals are paying attention to informal learning because formal learning has run out of steam. Things happen so rapidly in business today that new products roll out faster than traditional courses can keep up with. Workers don't have time for the inefficiencies of old-style training. For years, we're talked about giving people what they need, when they need it. The Internet makes it feasible to deliver on that promise. Formal learning did the trick for training factory workers how to follow procedures. Knowledge workers need to be co-participants in learning, not simply receivers.¹

Arguably and inevitably, informal learning, a perceivably 'inferior' and often sidelined channel of learning, has been given a new lease of life as the pervasiveness of globalisation impacts

¹This quotation was extracted from an online article entitled 'Informal learning: Extending the impact of enterprise ideas and information', http://www.adobe.com/resources/elearning/pdfs/informal_learning.pdf, April 19, 2011. (NOTE: There are no page numbers in the article.)

on the way we work and the new types of skills we need (Marsick *et al.*, 1999). The renaissance of informal learning is eloquently articulated by Coffield (2000) who stated that informal learning should not be regarded as inferior, substandard and pale in the shadows of formal learning. On the contrary, informal learning should be given a new lease of life and accorded its own right to be fundamental, vital and necessary in modern day learning processes. This thought-provoking and high-impact depiction of informal learning appeared in the introductory section of an ‘informal learning homepage’ as an attempt to evoke the thoughts of readers with regards to the rise of informal learning.² But before I delve deeper into the literature, it is important to have a common understanding of what ‘informal learning’ actually means. In the scholarly circle, much has been written and debated on the concept of informal learning (McGuire *et al.*, 2010; Wagner, 2007; Marsick *et al.*, 1999; Hager, 1998). For this study, I engage the term used by Eraut (2004, p.247) to define informal learning as follows:

The term ‘informal learning’ has been used increasingly in adult education for several reasons. It provides a simple contrast to formal learning or training that suggests greater flexibility or freedom for learners. It recognizes the social significance of learning from other people, but implies greater scope for individual agency than socialization. It draws attention to the

learning that takes place in the spaces surrounding activities and events with a more overt formal purpose, and takes place in a much wider variety of settings than formal education or training. It can also be considered as a complementary partner to learning from experience, which is usually construed more in terms of personal than interpersonal learning.

Two other components that differentiate between formal and informal learning are ‘structure of learning’ and ‘control’. As stated by Marsick and Watkins (1990) (cited in McGuire *et al.*, 2010), formal learning is generally “institutionally sponsored, classroom-based, and highly structure” whilst informal learning comprises “[incidental] learning, [which] may occur in institutions, but it is not typically classroom-based or highly structured.” Incidental learning, in this case, can happen unintentionally or by chance. Most interesting of all, Marsick and Watkins (1990) highlighted that ‘control’ of informal learning lies exclusively in the hands of the learner, not the educator. In line with the above quote by Cross (2007), knowledge workers in today’s New Economy are no longer on the receiving end of the learning continuum. Instead, the volatile global environment has imposed upon knowledge workers to be ‘co-participants’ and contributors in the learning process. The next section will review how learning needs and outcomes are forcibly changing in response to global demands heralding the rise of informal learning in today’s world of Universal Banking.

²Retrieved from the ‘informal learning @ the informal education homepage’, <http://www.infed.org/biblio/inf-lrn.htm>, April 19, 2011.

GLOBAL BANKING RESTRUCTURING: AN OVERVIEW

The forces of the New Economy (i.e. deregulation, technology, changing consumption patterns) have radically reorganised banking work towards Universal Banking (CEDEFOP 2003: 99; Harper *et al.*, 2000). Traditional banking allowed the sales and provision of limited banking services. In contrast, Universal Banking emerged following the homogenisation and blurring of boundaries between different financial institutions, which subsequently allows the production and sales of 'hybrid' financial products that bear the attributes of banking, investment and insurance. This in turn intensifies competition between banks and non-bank institutions (Harper *et al.* 2003). As one of the industries that first adopted automation/computerisation, the introduction of complete 'customer-profile databases' in the banking industry has impacted the work of every employee especially at bank branches. This database enables storage of complete, up-to-date and 'unified' records of all business dealings with their customers. In restructuring banking operations, studies showed that the purported advantages of the updated 'customer-relationship profiles' are: 1) an increase in the functions of 'self-service' facilities; 2) better service to customers; 3) 'cross-selling' of financial goods; 4) analysis of profit; 5) retention of customers; 6) 'marketing'; 7) a benchmark for the performance of a branch (Orlow, 1996; Pollard, 1995). Consequently, bank branches are transformed into strategic business units/

sales outlets. Clearly, the job tasks of tellers, officers and even branch managers are now more inclined towards sales where there is a need for them to possess up-to-date knowledge of the latest products and market changes, without which their banks will lag behind and lose competitiveness.

Banking Restructuring In Malaysia

In Malaysia, a radical change in the modus operandi of banks happened following the 1997 Asian Financial Crisis. Similar to global trends, financial liberalisation/deregulation is gradually permeating into the Malaysian scenario heralding the rise of Universal Banking. These changes resulted in amendment to the BAFIA (1989) in 2003 and subsequently the development of an integrated commercial bank and finance company (or BAFIN) framework (BNM 2005). On 15 January, 2004, this amendment was enforced permitting 'the merger of commercial bank and finance company within a domestic banking group into a single legal entity', whereby this new single entity is allowed to hold dual licences to undertake both businesses in banking and finance companies (BNM 2005). Subsequently, these macro changes were translated at the branch level heralding the rise of Universal Banking where Malaysian bank branches are converted to become 'one-stop financial supermarkets' that offer an array of financial products to meet diverse consumer needs and to serve Malaysia's rising middle class who are more affluent, educated and sophisticated in their demands (Smith *et al.*, 2004). These

radical transformations inevitably pose a need for more knowledgeable Malaysian bank employees and, subsequently, for more responsive and proactive forms of learning at the workplace. A review of banking literature shows that banks are strategising towards informal learning to fill their learning gaps. The following strategies are by no means exhaustive.

Informal Learning in Banking

Strategy 1: Bank as a ‘learning organization’. In line with the rise of a ‘learning society’ (Crouch *et al.*, 1999), banks are synonymously adopting this concept by transforming to be ‘learning organisations.’ Banks are capitalising on informal learning to achieve this means. According to Powell (2005), workplaces that encourage continual ‘lifelong learning’ are amongst strategies that are most ‘effective and efficient’ in developing workforce skills. This notion is supported by banking studies in Denmark (Illeris, 2002) and the United Kingdom (Watkins, 1998). In Australia, empirical studies have concluded that Australia’s Westpac Bank is a ‘learning organisation’ too (Kitay, 2001). Westpac recognises the need to align its learning agenda with the bank’s overall strategic plan. The bank has capitalised on technological innovations to transform Westpac into a learning organisation. Westpac developed an ‘e-enabled company’ for employees to learn informally where ‘training modules’ are readily available on CD-ROM or online. Employees are even financially aided to purchase computers so

they can learn privately instead of during working hours on the bank’s time.

In response to the ‘sales culture’, Westpac’s training for induction increased from a few days (in the early to mid 1990s) to two weeks before tellers and customer service representatives were left to handle customers. Newly recruited employees were ‘buddied’ with senior staff to get exposure and relevant on-the-job training. Westpac senior managers adopt a committed leadership role too. To steer the organisation towards a learning environment, a ‘learning board’ is established where senior members of the bank act as role models. At middle management level, ample learning opportunities are given to Westpac staff to ‘develop’.

In sum, Westpac views ‘learning’ as an ‘investment and not a cost’ where employees are valued ‘equally and highly’. Kitay (2001) also confirmed that Westpac is a ‘high performance workplace’ that emphasises ‘market-valued core competencies’. The following strategy, apprenticeship, is another example of informal learning at the workplace. The next section illustrates how German banks acknowledge the importance of (informal) learning in ‘real work settings’.

Strategy 2: Apprenticeship and Skills Formation. In German financial services, skills formation relies heavily on the ‘dual system’ where an employee will usually be hired upon completion of a ‘company-based apprenticeship programme’. This neo-corporatist approach (Ashton *et al.*, 1996) to skills formation is a collective effort

among various stakeholders: firms, the State (Lander) and the federal government that provides classroom and on-the-job training with extensive 'job rotation' (see Bertrand *et al.*, 1988).

Empirical evidence from German banks illustrates the importance and relevance of apprenticeship in developing transferable skills. This model discloses that German bank employers invest heavily in 'transferable skills' as opposed to human capital theories that suggest otherwise. Further evidence shows that German banks prefer to hire employees with apprenticeship qualifications than new graduates (Jentjens, 1997) (cited in Finegold *et al.*, 2002). In order to retain the best apprentices, big German banks offer internal programmes for training and career advancement that include internal promotion, taking specified 'in-house' exams and related external courses. Some German banks even provide four-year management trainee programmes (Förderprogramme), which includes two years of job rotation and another two years of job specialisation. Additionally, certain German banks also offer 'part-time degree or degree-equivalent qualifications' to apprentices without the need for them to leave the organisation. Albeit there are critiques on the relevance of apprenticeship in the New Economy, proponents advocate the superiority of this model due to its 'experiential learning in real work setting' (Haipeter *et al.*, 2005). In sum, German banks continue to view apprenticeship, and the intensive instruction it offers in 'real work settings' as the best way to develop the

skills required in the New Economy. This perception prevails not only in established, traditional firms but also in new-firm entrants (i.e. direct electronic banks, foreign banks) that have become participants in the dual system for training young people for highly-skilled positions (Finegold *et al.*, 2002).

At the Malaysian front, however, research related to training and development is scarce. Most Malaysian scholars are interested in research associated to banking service quality on customer loyalty (Lo, Mahamad, Ramayah, & Mosahab, 2010) as well as E-service quality and adoption of Internet banking (Raman, Stephenaus, Alam, & Kuppusamy, 2008; Munusamy, De Run, Chelliah, & Annamalah, 2012). Whilst there are also scholars who explored the financial competitiveness, growth and performance of Malaysia banks (Bahreini & Mat Zain, 2013; Ong & Gan, 2013), research on human capital development especially that related to informal learning is largely absent. Thus, this study is timely and endeavours to fill this large research gap. Before showcasing the types of informal learning in Malaysia's banking industry, the following section will briefly outline the research methodology for this study.

METHODS

Given the constraint of space, there will be little attempt to discuss in-depth the complete method of data collection and analysis used for this study. Nonetheless, the remainder of this section will illustrate in brief the research design for this study.

In keeping with qualitative research methods, a 'purposive sampling strategy' was administered to select the study sites, case study banks and respondents for this study. The study sites, Kuala Lumpur and Georgetown, were selected given their roles as financial centres of their respective states. Two prominent Malaysian banks were identified to be case study banks (CSBs) with 12 bank branches (six from each bank) selected to be investigated. Broadly, there are three types of case studies: intrinsic, instrumental and collective, which are administered differently (Stake 2003: 136-8). In this context, the 'multiple' or 'collective case study' research design is suitable and was used for this study. This approach compares, contrasts and analyses the commonalities and diversities of the two domestic banks under examination. Additionally, the goal of this study was exploratory in nature. This study attempted to explore the extent to which informal learning methods are adopted to develop human talent in Malaysian banks.

In order to gain holistic descriptions of informal learning of branches in different locations, a stratified sampling was used to identify branches situated not only in urban areas (i.e. Kuala Lumpur Main, Bukit Bintang, Penang Main, Jalan Tun Perak, Menara Ban Hin Lee, Pulau Tikus), but those sprawled in suburbs (i.e. Petaling Jaya Seapark, Jelutong, The Curve, Taman Tun Dr Ismail, Jalan Mahsuri) as well as villages (i.e. Balik Pulau) too. Data collection involved both primary and secondary data collection techniques and various 'sources

of evidence' (Yin 2003a: 83). Primary data collection techniques entailed interviews (i.e. in-depth discussion, semi-structured discussion, focus group discussion, informal discussion), direct observation, documents and archival records. Secondary data collection involved extensive literature review of previous studies and selected banking literature.

To explore the prevalence and importance of 'informal learning' in Malaysian bank branches, this study endeavoured to interview bank employees located at both headquarters and branch networks. It was interesting to find out that varying forms/channels of informal learning were adopted by the 12 bank branches despite coming under the same umbrella of two larger banks. It can be concluded that different bank branches have different modes of informal learning. Based on a stakeholders' analysis, primary data were collected and triangulated among four categories of bank employees namely senior/middle managers (12 persons), branch managers (12 persons), branch officers/executives (28 persons) and frontliners (16 persons). A total of 68 branch employees were interviewed in this study. All 68 of these employees were interviewed through in-depth discussions and some of the frontliners were invited to participate in focus group discussions. These employees were interviewed only once given their busy schedules. The interview sessions with employees varied between 40 and 90 minutes and were usually carried out in the branches' meeting room away from the busy Banking Hall.

A range of interviews were undertaken with bank employees from all levels ranging from senior managers to frontline employees. Albeit the focus was on retail branches, senior/middle managers at the head offices were interviewed to understand the overall training agenda of the bank and how it is disseminated down to the branch networks. At the respective branch networks, three categories of employees were interviewed, namely branch manager, bank officers/executives and frontliners (i.e. tellers). Key personnel related to training such as Human Resources (HR) managers, training staff, selected line managers and supervisory staffs were also interviewed. With reference to Smith and Dowling's (2001) study, the 'interview protocols' for this study touched on similar matters related to training and informal learning but involved different categories of bank employees. Findings from these interviews were supplemented by secondary data analysis of related documents from the case banks such as human resources policies, training plans, company reports, strategic reports and annual reports. In analysing the case studies, this study utilised Stake's (1995, pp.71-90) four forms of data analysis and interpretation, namely: 1) categorical aggregation; 2) direct interpretation; 3) cross-case synthesis (see also Yin 2003a); 4) naturalistic generalisations (Creswell, 2007, p.163). Given that this study entailed comparing and contrasting two banks, it began with an inductive analysis to identify 'patterns' and 'themes'.

Collectively, collation of data and 'corroboration of evidence' from these multiple sources, methods, respondents and literature will ensure a high level of data triangulation (Stake, 2003; Yin, 2003a, 2003b). These are the types of data and evidence used to understand the way 'informal learning' takes place in Malaysian banks. To add depth to the analysis, a comparative analysis between the types of 'informal learning' between the two banks and the 12 bank branches was undertaken. Broadly, most qualitative researchers adopt a common strategy in data analysis, that is, the use of coding. Data was initially 'coded' into 'meaningful segments' before they were analysed and categorised to create 'broader themes' (Creswell, 2007: 148-149).

RESULTS AND DISCUSSION

In the New Economy, a competitive and volatile environment has necessitated the need for 'informal learning' to complement formalised learning. As this study showed, 'informal learning' at the workplace is closely associated with a bank's 'training culture'. Feedback from senior managers (i.e. Chief Executive Officer, Chief Operating Officer, HR Heads etc.) highlight that a training culture has to be enhanced amidst the competitiveness and volatility of the contemporary banking environment. As the largest bank in Malaysia, CSB1's training culture is admirable with a hefty training allocation of RM50 million per year. In fact, according to CSB1's Executive Vice-President of Learning And Knowledge Management, the bank's commitment

towards training is reflected through a higher than stipulated percentage of training by the regulator (i.e. Bank Negara Malaysia, BNM). Albeit BNM's Guidelines on Staff Training Expenditure (1991) mandates banks to allocate 2.5% of their previous year's total gross salary for training, CSB1 commits higher i.e. 6%. The Executive Vice-President emphasises that the bank's training expenditure is based on the American Society for Training and Development, with clear allocations of funds allotted for each specific area like professional development, information systems support, management and leadership development. Being Malaysia's largest domestic bank, it definitely has a clear training direction and systematic training agenda. CSB-1 even has a training plan called the 'Learning Strategy Deployment Plan 2002-2007'. The bank also has its own Learning Management Council and Learning Governance to ensure systematic deployment of learning that is consistent with the bank's overall strategic plans. The following sections will showcase how the training culture is translated into informal learning at the workplace.

Informal Learning in Malaysian Banks

In Malaysia, training for officers and frontline employees in banks is undertaken at either the headquarters (training centre) or at bank branches, with the former adopting more formalised forms of learning whilst the latter epitomises informal learning. For instance, there is a designated location in Bangi, Selangor where the training centres for local and foreign banks agglomerate. On a visit to the training centres of both CSB-1

and CSB2 at Bangi, it was observed that the physical set-up and surroundings were rather regimented and resembled a classroom environment. Syllabi were structured into modules and delivered by instructors. Simply put, employees were learning in a formal environment. Employees could opt to either 'self-nominate' or 'be invited' by management to attend training at the Bangi headquarters, which is a 45-minute drive from Kuala Lumpur. The types and availability of training courses by both case study banks are published in their annual Training Directory/Calendar.

New ways of knowledge acquisition.

By contrast, new ways of informal learning and modern channels of knowledge acquisition have emerged at the branch level. Similar to banking studies in Germany and Australia (Finegold *et al.*, 2002; Kitay, 2001), informal ways of learning are making a headway in Malaysian banks. A comparison and summary of training channels and patterns of informal learning at both case study banks are displayed in Table 1.

Indeed, new channels of informal learning have surfaced besides traditional on-the-job (OJT) training where senior employees (i.e. senior tellers) will teach and 'buddy' newcomers. In the wake of Universal Banking with banks favouring sales and marketing of new products and services, Malaysian bank branches have emerged as new training grounds for employees as 'daily morning briefings' are conducted at branches. Before opening

Table 1
Comparison of Training and Knowledge Acquisition Channels at the Case Study Banks

CHANNELS OF TRAINING AND KNOWLEDGE ACQUISITION (FOR OFFICERS AND FRONTLINE EMPLOYEES)	CSB1	CSB2
At headquarters		
1) Classroom training at Bank’s training centres (at Bangi, Selangor)	✓	✓
At the branch	✓	✓
1) On-The-Job Training (OJT) (i.e. buddying, mentor-mentee, ‘Sifu’ system)	✓	✓
2) Daily morning briefing at the branch’s Banking Hall before work begins	✓	✓
3) Online training via Learning Management System (website/portal)	✓	-
4) Staff intranet via HR website	-	✓
5) Multimedia learning through DVD	-	✓
6) Counselling/brainstorming/sharing session with superiors/peers	-	✓
7) Competition (in-house) (i.e. pop quizzes, crossword puzzles, etc.)	-	✓
8) Train employees ‘real-life’ context via mystery shoppers/mystery callers	-	✓
9) Circulation of daily emails, bulletins, memos etc. disseminating latest information	✓	✓
10) Invite external experts to talk to branch employees	-	✓
11) Send employees to external training academies (i.e. Malaysian Airlines Academy)	✓	-
KNOWLEDGE ACQUISITION TECHNIQUES (FOR OFFICERS AND FRONTLINE EMPLOYEES)	CSB1	CSB2
1) Automatic nomination by superior (i.e. branch manager, asst. branch manager)	✓	✓
2) Self-nomination (Training Directory/Calendar)	✓	✓

Source: Researcher’s Fieldwork Survey, 2008

time at 9.15am when most Malaysian banks commence business, all levels of bank employees congregate at the Banking Hall to listen to a 15-minute briefing from their superiors and peers. They start work only after the briefing. A stark

contrast from the formalised settings at the headquarters, informal learning at the branch takes place in a convivial environment amongst colleagues where, as Cross (2007) rightfully phrased it, the bank employees become “co-participants” as well as “contributors” to the learning process. This is because everyone in the branch has an opportunity to contribute and impart knowledge to his or her colleagues. A typical briefing may begin with the branch manager briefing employees on the latest products or developments followed by the assistant manager updating employees on operational matters. Subsequently, with the rising importance of sales, daily airtime is allotted to financial executives/relationship managers to disseminate information and share with colleagues the latest banking products/services. This informal way of sharing knowledge is the key strategy to broaden the knowledge base of colleagues so that they can cross-sell and refer potential clients to the sales team.

Undeniably, Malaysia’s banking industry is gearing to be highly knowledge-based. Interviews with all levels of branch employees highlight that cross-selling of traditional banking products on their own as well as with new products such as insurance and investment-linked products, requires bank employees to acquire voluminous amounts of ‘knowledge’ and be constantly updated with current affairs, thus, accentuating the need for continuous and informal modes of learning. The high demand for knowledge is lamented by a teller with 12 years of experience as follows:

The fact that we need to think more and be more knowledgeable now is because customers are getting so smart and inquisitive nowadays. Unlike before, they now ask so many questions. Sometimes they ask you 10 questions! They even ask you questions that are not related to banking, thinking that as bankers you know everything!

This high demand for knowledge is further compounded by the shift in Malaysian banking from merely deposit-taking/credit-extending to financial advisory/consultancy. A trend parallel to that found in advanced economies, the focus on sales and marketing amongst bank employees has necessitated the need for them to be innovative and to have sound banking knowledge in addition to correct and comprehensive knowledge of the customer’s business and personal profile. Interestingly, ‘salespersons’ from both case study banks concurred that having the right types of knowledge and skill is of utmost important, hence, implicating the need for continuous and new forms of knowledge acquisition and learning methods. The following remarks were reported by one of them:

We salespeople should know what customers want. We try to figure out what they want. Maybe they need a certain product but they do not realise is so we are to make them realise they actually need this product. This is a different

function. We are now playing a pro-active role. That's why now the salespeople will have to enhance their skills. In the past, you could just quote one product and sell the good features of this product each time you see the customer. That officer is good only in that product but now is different. When you see a customer you need to find out what he or she wants. You need to know all the products otherwise you won't know which product is suitable for the customer. So the salespeople will have to enhance their knowledge and skills. For salespeople nowadays, the skills and knowledge required is higher if they want to fit into the model of 'customer-centricity'.

In the same vein, another financial executive quoted the following:

You need the basics like what are the investment and the financial profiling of your customer. When customers come in, are you able to do the basic financial profile for customers or not? What are their assets, liabilities and cash flow? To be able to profile out what they have and what they need. Some customers actually don't know what they need. They only have this and now you do for me. You need to identify what customers really want. Only then you can give

some recommendations/solutions. You propose to customers whether it suits them or not because some customers will not tell you everything. You need to probe them to get the full financial profile.

Due to such demands and pressure, bank branches have wittingly introduced new channels of informal learning to heighten the knowledge level of employees. Besides mechanisms like e-learning (i.e. Learning Management System, intranet), branch employees are urged by their branch managers to read and be aware of the latest information on new products offered by their own bank as well as their competitors. Information is disseminated through informal materials such as emails, bulletins and memos. The pressures and stress from continuously acquiring knowledge in the New Economy was exacerbated when CSB2 imposed training/learning in a 'real-life' context. In CSB2, 'mystery caller/mystery shopper' concepts were implemented where officers from the bank's headquarters disguised as customers and walked in to a branch to undertake spot-checks on the knowledge level and work performance of employees.

Interestingly, it was discovered that informal channels of learning differed from branch to branch and were modified base on the foresight, ingenuity and drive of the respective branch managers. For example, CSB2's TTDI branch has been innovative in imparting informal learning by implementing internal branch pop

quizzes, crossword puzzles etc. to encourage employees to read and be knowledgeable of contemporary banking products. The customer service manager at the TTDI branch was proud to declare that these pop quizzes and word puzzles were the brainchild and strategy of the branch manager to disseminate and update knowledge among his branch employees every time new banking products/services were introduced in the market. However, due to time constraints and heavy workload at the branch, some employees complained that they did not have sufficient time to read, revise and equip themselves with this new knowledge. Clearly, this in turn will affect their daily work performance.

Other methods of informal learning include counselling, brainstorming and 'sharing sessions' with superiors and peers to generate and disseminate knowledge. At other times, external experts like fund managers are invited to brief and update branch employees at CSB2 on investment products. Importantly, best practice is emulated from other service industries when CSB1 sent their tellers to the Malaysian Airlines Academy for the 'Sayang, Sayang Customers Campaign' ('Love Your Customers Campaign') at Kelana Jaya. As one teller pointed out,

They send us there to share experiences with them (air stewardesses) on how to convince the customers. So it is different ways because they are the air stewardess on the air and we are on the ground.

Clearly, the main intention of sending bank tellers to the Academy was for them to share and to exchange experiences and learn real-life lessons from their counterparts in the airline industry and vice-versa. This is because these two categories of employees are frontliners who have face-to-face contact with their customers every day. As highlighted in Hochschild's (2003) seminal work, air stewardesses are frequently exposed to the unpredictable temperaments of passengers. Similarly, in this study of bank employees, the shift to sales capitalises on the teller's first point-of-contact with the customer to close any potential deals.

Expansion of informal learning methods.

In-depth interviews with branch managers and senior bank employees converge, that is, training and informal learning at Malaysian branches have expanded over the years. Traditionally, officers and frontliners merely received initial induction training at the headquarters or brief start-up training sessions at the branch administered by senior colleagues, commonly known as the 'Sifu' or buddy system amongst the respondents. The term 'Sifu' is a Chinese colloquial term that means 'master/teacher'. During the interviews, the junior tellers viewed senior employees who trained and buddied them as their informal masters/mentors or 'Sifus'. However, as this study reveals, the vagaries and volatilities of the unpredictable banking environment have triggered the need for more branch training, or more precisely, informal forms of learning at the branch level such as daily morning

briefing sessions, counselling/brainstorming sessions amongst colleagues, circulation of daily emails/bulletins, inviting external experts to talk to branch employees and to the extent of sending employees out to external training academies (i.e. Malaysian Airlines Academy) as detailed earlier. Most significantly, scholars (McGuire et al., 2010; Cross, 2007) highlighted, technological innovations have aided and quickened the dissemination of informal learning via various e-delivery channels such as CSB1's Learning Management System (i.e. My Campus) and CSB2's intranet via their internal human resources website. Akin to strategies adopted in most advanced countries, Malaysian banks are emulating their Western counterparts in transforming their banks into a platform for continuous, pro-active and informal learning to take place.

To complement the above, Malaysian bank employees are provided with another channel of informal learning, the Institute of Bankers Malaysia (IBBM). An interview with IBBM's Chairman revealed that IBBM had played a significant role as the professional and educational body for Malaysian bank employees since its inception in 1977. As extracted from IBBM's 2008 Learning Education and Development Directory, besides providing formal industry-focused professional certifications for bank employees, IBBM has kept abreast of volatile, global changes out of sheer necessity in order to provide "informal sources of learning and knowledge acquisition" (IBBM n.d.). These include the

publication of IBBM's bi-monthly newsletter, the availability of an Information Centre as well as an e-library, an e-learning domain on its website, specially-commissioned and general training/reference materials in the form of self-learning CD-ROM packages, the Banker's Journal Malaysia as well as frequent informal activities such as tea-talks, video presentations and debates that are held at the IBBM premises at Damansara, Kuala Lumpur. Clearly, from these findings, the role of informal learning is crucial to equip modern Malaysian bank employees with the requisite skills demanded in the New Economy.

CONCLUSION

Globalisation has redefined the function and importance of both formal and informal learning in Malaysian banks. Radical and irreversible changes to production methods in banking have necessitated the demand for knowledge workers and the need to be continuously updated with the latest knowledge to be competitive. Thus, this is an era where banks no longer can be totally dependent on the formal education system or the State in terms of knowledge provision. Employers and employees themselves have to be proactive and to intervene by means of upgrading their own knowledge to remain competitive. Clearly, in this study, the learning gaps, training needs and new knowledge demands are addressed with the re-emergence of informal learning at branch networks to complement and supplement formalised learning at the banks' respective headquarters or formal education obtained

prior to joining the industry. Evidently, both case study banks adopted various informal learning methods to develop their human talent where banking employees as knowledge workers play a pertinent role in acquiring knowledge formally as well as informally to improve themselves. Concomitant with the arguments by Marsick and Watkins (1990) (cited in McGuire *et al.*, 2010) as well as Cross (2007), Malaysian banking employees do in fact play the role of ‘co-participants’ and have control over as well as contribute towards the entire learning process at their workplaces. Here, the symbiotic relationship between formal and informal learning clearly shows that neither one is more superior than the other. In today’s banking industry where the ‘latest knowledge’ is prime commodity, there is dire need for knowledge to be acquired, exchanged and disseminated in an unprecedented speed, failing which, the knowledge content and competitiveness of an individual employee to compete in the volatile surrounding can be jeopardised.

Hence, the need for new and ingenious modes of informal learning augurs well for modern banking culture because informal learning allows learning to take place “anywhere, anytime” as well as to fill the gaps left behind by formal learning. More crucially, the re-emergence of informal learning will revisit current policies on Vocational and Educational Training (VET), an area often overlooked in the broader human capital agenda. Also, in Malaysia’s quest to be a fully-developed nation by 2020, a paradigm shift in mindset is necessary

where flexibility in learning needs to be advocated at all levels, be it through formal or informal channels.

Due to the constraints of time and manpower, this study only managed to examine avenues of informal learning and training in two domestic banks in Malaysia. Given that research in informal learning is still lacking and largely absent, informal learning in foreign banks in Malaysia is a viable area for future research. Subsequently, another potential research area is the impact of informal learning on a bank’s performance and competitiveness based on a longitudinal approach.

As showcased in this case study of Malaysia’s banking industry, other Malaysian services industries should emulate the best practices wherever possible and open up new avenues for (informal) learning given that knowledge acquisition is a continuous and lifelong endeavour. As Cross (2007) argued, “formal learning did the trick for training factory workers how to follow procedures”, but, for post-industrial or services workers like contemporary Malaysian bank employees, it is of the utmost importance to inculcate alternative forms of learning, namely, informal learning. In conclusion, this paper argues that other services industries in Malaysia should follow suit and adopt informal learning as being done by Malaysia’s banking industry, and endeavour to integrate and ‘formalise’ informal ways of learning in Malaysian society.

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